

AMENDED IN SENATE APRIL 7, 2014

**SENATE BILL**

**No. 1378**

---

**Introduced by Senator ~~Huff~~ Morrell**

February 21, 2014

---

An act to ~~amend Section 900 of the Insurance Code, relating to insurance.~~ *add Section 17052.7 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1378, as amended, ~~Huff~~ Morrell. ~~Insurance: annual statements. Personal income tax: credits: charitable contributions.~~

*The Personal Income Tax Law allows various credits against the tax imposed by that law.*

*This bill would allow a credit against that tax for each taxable year beginning on or after January 1, 2014, in an amount equal to the amount donated to a qualified charitable organization, as defined, not to exceed a specified amount per taxable year. This bill would require the Franchise Tax Board to certify that the organization is a qualified charitable organization and post a list of the certified qualified charitable organizations on its Internet Web site.*

*This bill would take effect immediately as a tax levy.*

~~Existing law requires every insurer, each year on or before the first day of March, to make and file with the Insurance Commissioner in the number, form, and by the methods prescribed by the commissioner, statements exhibiting its condition and affairs as of the previous December 31.~~

~~This bill would make technical, nonsubstantive changes to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17052.7 is added to the Revenue and  
2     Taxation Code, to read:  
3     17052.7. (a) (1) For taxable years beginning on or after  
4     January 1, 2014, there shall be allowed as a credit against the  
5     “net tax,” as defined by Section 17039, an amount equal to the  
6     amount donated by the taxpayer during the taxable year to a  
7     qualified charitable organization, subject to paragraph (2).  
8     (2) In the case of a single individual, a head of household, or  
9     a married individual making a separate return, a credit allowed  
10    under this section shall not exceed two hundred fifty dollars (\$250).  
11    In the case of a surviving spouse, as defined in Section 17046, or  
12    a married couple making a joint return, a credit allowed under  
13    this section shall not exceed five hundred dollars (\$500).  
14    (b) For purposes of this section, a “qualified charitable  
15    organization” means an organization that meets all of the following  
16    requirements:  
17    (1) Is an organization that is exempt from federal income taxes  
18    as an organization described in Section 501(c)(3) of the Internal  
19    Revenue Code or is a designated community action agency that  
20    receives community services block grant moneys pursuant to  
21    Section 9901 of Title 42 of the United States Code.  
22    (2) Spends at least 50 percent of its budget on services to  
23    individuals in California who either receive CalWORKS benefits,  
24    are low- income individuals whose household income is less than  
25    150 percent of the poverty guidelines updated periodically in the  
26    Federal Register by the United States Department of Health and  
27    Human Services under the authority of Section 9902(2) of Title 42  
28    of the United States Code, or are chronically ill or physically  
29    disabled children.  
30    (3) Demonstrates that the organization plans to continue to  
31    spend at least 50 percent of its budget on services to those persons  
32    described in paragraph (2).  
33    (4) Applies to, and receives from, the Franchise Tax Board  
34    certification that the organization meets all of the requirements  
35    of paragraphs (1) to (3), inclusive.

1     (c) *The Franchise Tax Board shall post on its Internet Web site*  
2 *the names of the qualified charitable organizations.*

3     (d) *The Franchise Tax Board may prescribe rules, guidelines,*  
4 *or procedures necessary or appropriate to carry out the purposes*  
5 *of this section, including any guidelines regarding the certification*  
6 *of qualified charitable organizations pursuant to this section.*

7     (e) *In the case where the credit allowed by this section exceeds*  
8 *the “net tax,” the excess may be carried over to reduce the “net*  
9 *tax” in the following year, and succeeding four years if necessary,*  
10 *until the credit is exhausted.*

11     (f) *A credit allowed by this section shall be in lieu of any*  
12 *charitable deduction otherwise allowed by this part.*

13     SEC. 2. *This act provides for a tax levy within the meaning of*  
14 *Article IV of the Constitution and shall go into immediate effect.*

15     SECTION 1. ~~Section 900 of the Insurance Code is amended~~  
16 ~~to read:~~

17     900. (a) ~~Each year, on or before the first day of March, every~~  
18 ~~insurer doing business in this state shall make and file with the~~  
19 ~~commissioner, in the number, form, and by the methods prescribed~~  
20 ~~by the commissioner, statements exhibiting its condition and affairs~~  
21 ~~as of the previous December 31. If the first day of March falls on~~  
22 ~~a day other than a business day, the filing is due to the~~  
23 ~~commissioner by the first business day preceding the first day of~~  
24 ~~March.~~

25     (b) ~~Each year, on or before the following dates, every insurer~~  
26 ~~doing business in this state shall make and file with the~~  
27 ~~commissioner, in the number, form, and methods prescribed by~~  
28 ~~the commissioner, statements exhibiting its condition and affairs~~  
29 ~~for the period beginning on January 1 of the current calendar year~~  
30 ~~through the end of each quarter of the current year as described~~  
31 ~~below. These quarterly filings shall cover the period of time~~  
32 ~~beginning January 1 of the current year through and including the~~  
33 ~~last day of the quarter for which the report is being made. The first~~  
34 ~~quarter filing shall be filed with the commissioner on or before~~  
35 ~~May 15 of every year. The second quarter filing shall be filed with~~  
36 ~~the commissioner on or before August 15 of every year. The third~~  
37 ~~quarter filing shall be filed with the commissioner on or before~~  
38 ~~November 15 of every year. If any of these dates fall on a day~~  
39 ~~other than a business day, then the filing is due to the commissioner~~  
40 ~~by the first business day preceding that date.~~

O